GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:361
ANSWERED ON:19.02.2003
PERSONS LIVING BELOW POVERTY LINE
RAM TAHAL CHOUDHARY;SHIVAJI MANE

Will the Minister of PLANNING be pleased to state:

(a) whether the persons with per capita expenditure less than Rs.49.09 in rural areas and Rs.56.64 in urban area in a month are considered to be living below poverty line;

(b) if so, the reasons for prescribing the criterion of per capita expenditure as the basis for determining BPL status;

(c) whether in other countries per capita income instead of per capita expenditure is considered for determining poverty; and

(d) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI S B. MOOKHERJEE)

(a): The monthly per capita expenditure of Rs. 49.09 in rural areas and Rs. 56.64 in urban areas are the poverty lines at national level at 1973-74 prices. These poverty lines are updated for price rise in subsequent years. The money value of these poverty lines in 1999-2000 are monthly per capita consumption expenditure of Rs. 327.56 in rural areas and Rs. 454.11 in urban areas. Therefore, persons with monthly per capita expenditure of Rs. 327.56 in rural areas and Rs. 454.11 in urban areas are considered to be living below the poverty line in 1999-2000.

(b): The Planning Commission has adopted per capita consumption expenditure as the criterion to determine the persons living below the poverty line precisely for two reasons. First, expenditure data reflect more accurately people`s actual level of living while income data are more concerned with people`s potential level of living. Secondly, expenditure data are considered more reliable than income data.

(c) & (d): Most of the developing countries follow the criteria of per capita expenditure for determining poverty.